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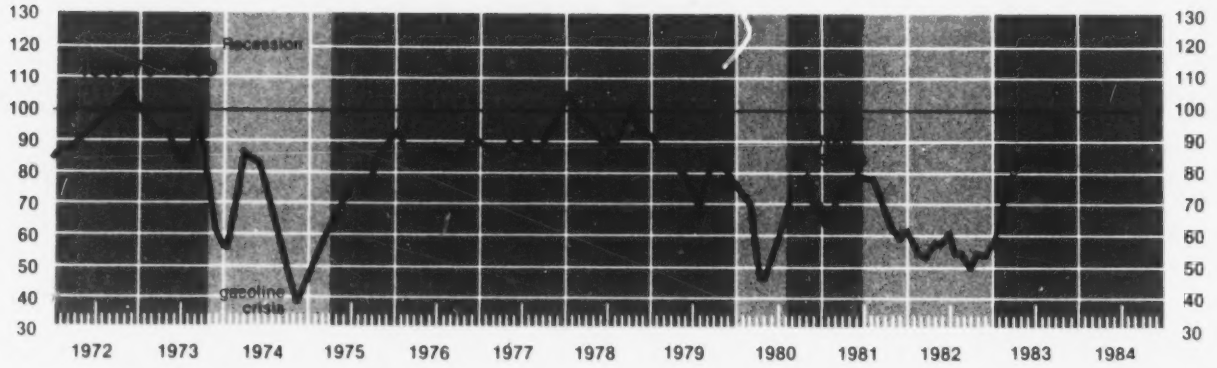
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

November, 1983



CONFIDENCE CONTINUES STURDY; SPENDING PLANS DOWN SLIGHTLY

The measure of consumer confidence continues to be high. The Board's Index (1969-1970 = 100) registered 85.2, up a moderate half point over the preceding reading. This series has been at about its present level for the past six months. In the most recent probe, however, buying plans have retreated moderately, following a substantial gain in the previous month.

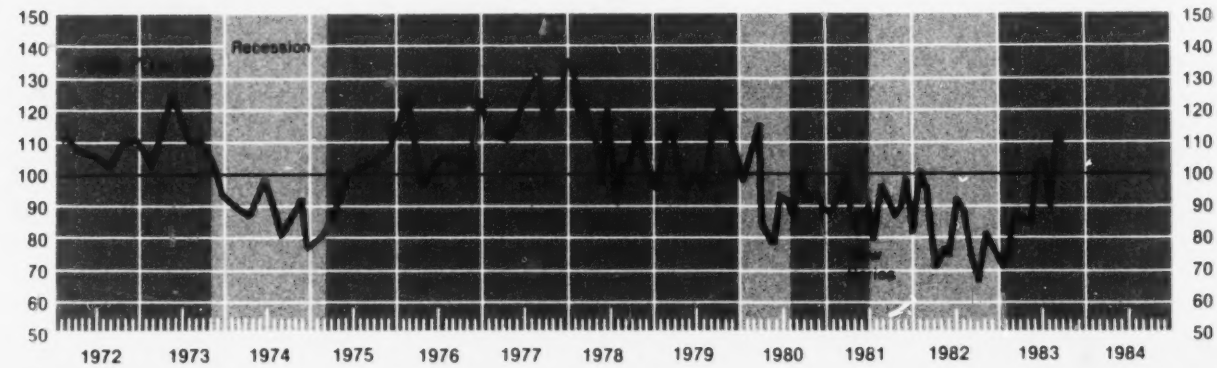
In reviewing the ongoing situation, the consumers' view has changed only slightly—by too little to be significant. Slightly more respondents now believe business conditions are "good," but there is a small rise in the number who expressed concern about jobs. Similarly, in looking ahead to the next six months, there was no meaningful change in consumers' expectations in evaluating employment prospects and the more general state of business. However, slightly more consumers than last time now believe that their personal financial circumstances will improve in the months to come—30.5% compared with an earlier 28.3 percent.

Buying plans have edged back somewhat from last time, but continue to be quite strong. Intentions to buy an automobile were indicated by 8.8% of all respondents, down from a previous 9.1%, a slight loss compared to recent gains. Intentions to purchase a home also retreated moderately to 3.5% of all respondents, compared to a prior 3.8 percent. Interest in major appliances is also moderately softer than the month before, but the change is too small to be significant.

The signals from consumers continue to be encouraging. Their steady and sturdy level of confidence and their relatively strong plans to buy—despite the small loss since last time—bode well for the period immediately ahead. The continued high level of consumer expectations is especially reassuring: This measure has an impressive history of foreshadowing economic events. Based on the record, the present mood of the consumer suggests that the pace of the business recovery will continue to be strong well into the early months of the new year, and probably even beyond.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households

All series seasonally adjusted	1982 Oct.	1982 Nov.	1982 Dec.	1983 Jan.	1983 Feb	1983 Mar.	1983 Apr.	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.(r)	1983 Oct.(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	49.7	54.8	53.5	58.0	65.8	77.1	80.3	84.0	84.9	84.7	84.6	84.8	85.2
Present Situation	13.6	13.6	12.9	13.8	14.1	19.5	23.9	28.2	32.8	37.2	39.3	43.1	43.4
Expectations	73.7	82.3	80.7	87.5	100.3	115.5	117.9	121.2	119.6	116.3	114.8	112.6	113.1
Buying Plans Index	66.7	80.5	75.2	71.9	75.8	87.9	86.0	85.2	103.6	100.5	89.9	113.5	107.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	6.7	7.4	7.3	7.3	7.7	10.1	11.4	13.5	15.0	15.9	16.5	18.3	19.1
Bad	55.3	54.6	58.6	53.1	53.2	47.8	44.7	38.7	36.9	33.2	33.5	31.0	30.8
Normal	38.0	38.0	34.1	39.6	39.1	42.1	43.9	47.8	48.1	50.9	50.0	50.7	50.1
Employment													
Jobs plentiful	3.5	2.9	2.9	2.9	2.7	3.5	4.9	4.6	5.9	6.8	7.4	7.7	7.3
Jobs not so plentiful	36.4	35.9	34.7	37.1	38.7	42.2	41.7	44.1	45.5	45.9	48.6	48.5	49.3
Jobs hard to get	60.1	61.2	62.4	60.0	58.6	54.3	53.4	51.3	48.6	47.3	44.0	43.8	43.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	22.1	25.7	25.5	25.7	32.2	39.2	38.9	39.1	37.6	36.6	32.7	30.1	29.7
Worse	21.8	18.0	20.9	14.8	11.5	7.1	6.2	4.8	5.3	6.6	6.6	6.8	6.6
Same	56.1	56.3	53.6	59.5	56.3	53.7	54.9	56.1	57.1	56.8	60.7	63.1	63.7
Employment													
More jobs	18.2	21.5	20.6	19.3	24.2	31.6	31.0	30.8	29.7	28.9	26.6	24.5	24.4
Fewer jobs	29.9	27.1	28.0	22.3	16.9	13.7	11.9	10.1	11.0	13.0	12.1	13.1	13.8
Same	51.9	51.4	51.4	58.4	58.8	54.7	57.1	59.1	59.3	58.1	61.3	62.4	61.8
Income													
Increase	21.6	20.8	24.0	22.9	20.5	24.8	26.6	25.9	26.0	28.7	26.0	28.3	30.5
Decrease	13.6	12.6	12.7	11.9	10.6	9.1	9.6	9.6	8.9	8.9	8.8	8.6	7.8
Same	64.8	66.6	63.3	65.2	68.9	66.1	63.8	64.5	65.1	62.4	65.2	63.1	61.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	4.9	6.0	5.6	5.1	5.4	7.2	6.1	6.0	8.4	7.8	7.2	9.1	8.8
New	2.8	3.2	3.1	3.0	3.1	3.9	3.4	3.6	4.7	4.1	3.4	5.1	5.2
Used	2.0	2.6	2.1	1.9	2.0	2.8	2.4	2.1	2.2	2.7	2.4	3.6	3.1
Uncertain	0.1	0.2	0.4	0.2	0.3	0.5	0.3	0.3	1.5	1.0	1.4	0.4	0.5
Home													
Yes	1.9	2.8	2.3	2.4	2.4	2.7	3.1	2.8	3.4	3.3	3.0	3.8	3.5
New	0.4	0.3	0.4	0.6	0.4	0.6	0.6	0.8	1.0	1.1	0.8	1.3	1.1
Lived in	0.9	1.8	1.2	1.3	1.5	1.4	1.8	1.3	1.7	1.3	1.5	1.7	1.8
Uncertain	0.6	0.7	0.7	0.5	0.5	0.7	0.7	0.7	0.7	0.9	0.7	0.8	0.6
Major appliances													
Total plans	20.4	21.2	22.8	22.1	22.3	23.7	23.4	25.5	27.7	29.2	23.8	30.6	29.4
Refrigerator	2.9	3.0	3.3	3.0	3.2	3.3	3.9	3.8	3.3	4.7	3.4	4.1	3.4
Washing machine	2.8	2.8	2.7	2.9	2.4	2.7	2.9	3.2	4.3	3.5	2.7	4.0	3.4
Black and white TV	0.9	0.9	0.9	0.7	1.1	0.9	0.5	1.0	0.7	0.7	0.9	1.1	1.0
Color TV	5.7	5.6	6.1	5.4	5.8	6.5	6.1	7.4	8.1	7.6	6.1	8.2	8.3
Vacuum cleaner	3.2	3.6	4.0	4.3	4.1	4.3	4.2	3.9	4.6	5.0	4.1	5.2	5.5
Range	1.8	2.0	2.4	2.2	2.4	2.2	2.4	2.2	2.6	2.8	2.3	2.6	2.6
Clothes dryer	2.1	2.2	2.3	2.4	2.5	2.5	2.3	2.8	2.8	3.4	2.8	3.1	3.0
Air conditioner	1.0	1.1	1.1	1.2	0.8	1.3	1.1	1.2	1.3	1.5	1.5	2.3	2.2
Carpet	6.4	6.5	6.0	5.1	7.6	7.2	6.7	6.9	7.3	6.7	6.9	8.2	7.1
Vacation Intended Within Six Months: Percent													
Vacation Intended	43.0		44.7		46.3		43.4		48.1		47.2		50.1
Destination													
Home state	9.3		8.5		11.1		8.4		9.2		9.9		10.7
Other states	29.8		31.8		31.6		30.9		34.2		32.8		33.7
Foreign country	4.6		5.1		5.1		5.7		6.6		6.2		7.1
Means of Travel													
Automobile	28.5		28.9		30.5		28.0		32.5		31.5		31.6
Airplane	13.1		15.0		15.2		15.2		17.1		15.5		17.3
Other	3.7		3.3		3.6		3.2		4.3		3.6		3.9

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.